

COUNTRY CLUB HILLS UTILITIES COMPANY REBUTAL

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CASE NO. CCH-W-12-01

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The fact that Country Club Hills Utilities did not request the establishment of a fund to pay for system deficiencies in its original application does not deter from the fact that the Company is in dire need of system improvements. Moreover, the request for this type of a fund was made early enough in the Rate Increase process that there has been sufficient time for the IPUC to consider the request given the process has been going on for over six months.

It must be pointed out again that the establishment of this type of fund is mandated by the IDAPA 58.01.08 – Idaho Rules for Public Drinking Water System. The rule reads as follows:

*“Demonstration of revenue sufficiency, that includes but is not limited to billing and collection procedures, a proposed rate structure which is affordable and ensures availability of operating funds, revenues for depreciation and reserves, and the ability to accrue a capital replacement fund.”*

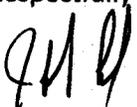
When designing new private water systems, the designer must provide DEQ a Preliminary Operating Budget demonstrating the revenue sufficiency to support a Capital Replacement Fund before they will grant approval.

That being said, Country Club Hills Utilities is in immediate need of the following improvements:

1. Credit Card Debt Repayment:	\$23,000.00
a. Pump Failures	
b. Service Line Repairs	
c. Replacing Customer Landscaping	
d. Street Repair	
2. Replace 14 broken water meters at \$700 each	\$9,800.00
3. Install previously purchased SCADA Equipment for Automatic Control of Water System	\$5,000.00
4. Construct Pump House at Well No. 2 to house pump controls	\$7,500.00
5. Replace water meters at both wells at \$3,000 each	\$6,000.00
6. Repair or replace sand separator on Well No. 1	<u>\$5,000.00</u>
<b>TOTAL</b>	<b>\$56,300.00</b>

The above costs are estimates only, but it brings to light the urgent need to create a Capital Replacement Fund for the Company and in our opinion, the IPUC Staff recommended rate increase does not go far enough.

Respectfully submitted,

  
Jeff Freiberg

Cc: Mike Groth